

Message Text

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ACTION EB-08

INFO OCT-01 ARA-14 IO-14 ISO-00 XMB-04 AGR-01 CEA-01
CIAE-00 DODE-00 FRB-01 H-02 INR-10 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05 SS-15
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TO SECSTATE WASHDC 5327
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UNCLAS BUENOS AIRES 2814

PASS EXIMBANK

E.O. 11652: N/A
TAGS: ETRD, EFIN, AR
SUBJECT: CHANGES IN IMPORT REGULATIONS: FINANCING REQUIREMENTS
FOR CAPITAL GOOD IMPORTS.

REF: (A) 77 BUENOS AIRES 2929; (B) 76 BUENOS AIRES 4636.

1. ON APRIL 7, 1978, THE CENTRAL BANK ISSUED RESOLUTION
732 STATING FINANCING TERMS FOR CAPITAL GOOD EMPORIS
WHICH SUPERCEDES RESOLUTION 688 REPORTED IN REFTEL A.
NEW GUIDLINES FOR REPAYMENTS ARE AS FOLLOWS:

VALUE OF TRANSACTION IN DOLLARS REPAYMENT TERMS

FROM	TO	
(A) --	\$ 250,000	ACCORDING TO PAYMENT SCHEDULE ESTABLISHED FOR REGULAR IMPORTS
(B) \$ 250,000	\$ 500,00	1 YEAR

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(C) \$ 500,000	\$1,000,000	2 YEARS
(D) \$1,000,000	\$2,000,000	3 YEARS
(E) \$2,000,000	\$4,000,000	4 YEARS
(F) \$4,000,000	\$5,000,000	5 YEARS
(G) \$5,000,000	--	AS APPROVED BY THE CENTRAL BANK

THESE VALUES ARE FOB PRICES. AS IN RESOLUTION 688, THE FOLLOWING PROVISIONS APPLY. MINIMUM GRACE PERIOD IN SIX MONTHS. A MAXIMUM 5 PERCENT DOWNPAYMENT AND 10 PERCENT ADDITIONAL PAYMENT AGAINST SHIPPING DOCUMENTS IS ALLOWED FOR CATEGORIES (B) THROUGH (G). REPAYMENT MUST BE DONE IN EQUAL INSTALLMENTS AT EQUAL INTERVALS. FOR TRANSACTIONS IN CATEGORY (A), CENTRAL BANK RESOLUTION 701 AUTHORIZES CASH PAYMENT AGAINST DOCUMENTS. CAPITAL GOODS STILL CONTINUE TO BE THOSE LISTED IN THE ANNEX OF RESOLUTION 641 (REPORTED IN REFTEL B).

2. HOWEVER, CONTRARY TO PAST RESOLUTIONS, ONLY NATIONAL AND PROVINCIAL GOVERNMENT AGENCIES OR STATE RUN ENTERPRISES MUST SECURE THE BANK'S APPROVAL TO IMPORT ANY CAPITAL GOODS. PRIVATE ORGANIZATIONS ARE ONLY OBLIGED TO CONSULT THE CENTRAL BANK IF THE INDIVIDUAL IMPORT TRANSACTION EXCEEDS \$5 MILLION DOLLARS OR IF THEY DESIRE A DIFFERENT PAYMENTS SCHEDULE FROM THAT ELABORATED ABOVE FOR IMPORTS BETWEEN \$250,000 AND \$5 MILLION DOLLARS. RESOLUTION 732 ALSO CONTAINS A PROVISION ALLOWING PRIVATE COMPANIES TO PAY CASH FOR EXPORTS VALUED OVER \$250,000 AS LONG AS THEY ARE USING THEIR OWN ASSETS AND NOT BORROWING FROM OUTSIDE SOURCES.

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